

SERIAL 07065 RFP MODULAR FURNITURE INVENTORY MANAGEMENT AND STORAGE

DATE OF LAST REVISION: September 05, 2007 CONTRACT END DATE: September 30, 2010

CONTRACT PERIOD THROUGH SEPTEMBER 30, 2010

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **MODULAR FURNITURE INVENTORY MANAGEMENT AND STORAGE**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **September 05, 2007 (Eff. 12/01/07)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

CH/ks
Attach

Copy to: Clerk of the Board
Richard Crago, Facilities Management
Kathy Sicard, Materials Management

(Please remove Serial 05145-IGA from your contract notebooks)



CONTRACT PURSUANT TO RFP

SERIAL 07065-RFP

This Contract is entered into this fifth day of September, 2007 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Goodmans Interior Structures, an Arizona corporation ("Contractor") for systems furniture asset and inventory management services.

1.0 TERM

- 1.1 This Contract is for a term of three (3) years, beginning on the first day of December, 2007 and ending the thirtieth day of September, 2010.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional terms up to a maximum of three (3) years, (or at the County's sole discretion, extend the contract on a month to month basis for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit "A."

2.1.1 Payment shall be made upon the County's receipt of a properly completed invoice

2.2 INVOICES AND PAYMENTS:

- 2.2.1 **The Contractor shall submit two (2) legible copies of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:**

- 2.2.1.1 Company name, address and contact
- 2.2.1.2 County bill-to name and contact information
- 2.2.1.3 Contract Serial Number
- 2.2.1.4 County purchase order number
- 2.2.1.5 Invoice number and date
- 2.2.1.6 Payment terms
- 2.2.1.7 Date of service or delivery
- 2.2.1.8 Contract Item number(s)
- 2.2.1.9 Description of Purchase (product or services)
- 2.2.1.10 Pricing per unit of purchase
- 2.2.1.11 Extended price
- 2.2.1.12 Arrival and completion time (if applicable)

2.2.1.13 Total Amount Due

Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.

2.2.2 Payment will be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Award the Contractor shall fill out an EFT Enrollment form (to be provided by the Procurement Officer) or as located on the County Department of Finance Website as a fillable PDF document (www.maricopa.gov/finance/).

2.2.3 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.0 DUTIES

3.1 The Contractor shall perform all duties stated in Exhibit "B," in accordance with processes and policies identified in Exhibit "B-1."

3.2 The Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or as otherwise directed in writing.

3.3 The Contractor shall provide sixteen (16) hours of training in the topics identified in Exhibit "C."

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION:

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions or mistakes relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting there from, caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract including any person for whose acts, errors, omissions or mistakes Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of County.

4.2 INSURANCE REQUIREMENTS:

Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

4.2.1 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

4.2.2 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

4.2.3 Workers' Compensation.

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the

work or services under this Contract; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. (N.B. - \$1,000,000 limits on larger contracts)

Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

4.2.4 Certificates of Insurance.

4.2.4.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

4.2.4.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.3 PROCUREMENT CARD ORDERING CAPABILITY:

It is the intent of Maricopa County to utilize a MasterCard Procurement Card, to place and make payment for orders under the Contract.

4.5 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona

For Contractor:

Karna Herrig, Account Manager
Goodmans
1400 E. Indian School Road
Phoenix, AZ 85014
Telephone: 602-512-0565
Facsimile: 602-512-0765
E-mail: kherrig@goodmans.info

4.6 REQUIREMENTS CONTRACT:

- 4.6.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when County identifies a need and issues a purchase order or a written notice to proceed.
- 4.6.2 County reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The County will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order or notice to proceed.
- 4.6.3 Contractor agrees to accept oral cancellation of purchase orders.

4.7 PRICE ADJUSTMENTS:

Any requests for reasonable price adjustments must be submitted sixty (60) days prior to the Contract annual anniversary date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

4.8 TERMINATION FOR CONVENIENCE:

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

4.9 TERMINATION FOR DEFAULT:

- 4.9.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 4.9.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.
- 4.9.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.
- 4.9.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

4.10 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.11 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.12 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.13 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.14 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.15 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.16 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.17 ALTERNATIVE DISPUTE RESOLUTION:

4.17.1 After the exhaustion of the administrative remedies provided in the Maricopa County Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

4.17.1.1 Render a decision;

4.17.1.2 Notify the parties that the exhibits are available for retrieval; and

4.17.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

4.17.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

4.17.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

4.18 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.19 RIGHTS IN DATA:

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.20 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.20.1 The following are attached to, and made a part of this Contract.

Exhibit A	Pricing
Exhibit B	Scope of Work
Exhibit B-1	Asset and Inventory Management Process and Procedures
Exhibit C	Client Training Program

4.21 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

DEPUTY MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A

PRICING

SERIAL 07065-RFP

PRICING SHEET: NIGP CODE 4259401

BIDDER NAME:

VENDOR # :

BIDDER ADDRESS:

P.O. ADDRESS:

BIDDER PHONE #:

BIDDER FAX #:

COMPANY WEB SITE:

COMPANY CONTACT (REP):

E-MAIL ADDRESS (REP):

GOODMANS INTERIOR STRUCTURES

W000001026

1400 East Indian School Rd., Phoenix Arizona 85014

PO Box 13289, Phoenix Arizoan 85002-3289

602-263-1110

602-263-0624

www.goodmans.info

Karna Herrig

kherrig@goodmans.info

WILL ACCEPT FUTURE SOLICITATIONS VIA EMAIL

WILL ACCEPT PROCUREMENT CARD

OTHER GOVERNMENT AGENCIES MAY USE THIS CONTRACT

PAYMENT TERMS ARE NET 30 DAYS

1.0 PRICING:

- | | | |
|-------|------------------------------------|-----------------------------|
| 1.1 | Asset Inventory Management Service | \$600.00 /monthly fee |
| 1.2 | Monthly Inventory Storage Fee | \$0.15 /per cu. ft. per mo. |
| 1.3 | *Inventory Handling (Labor) | |
| 1.3.1 | Normal Hours - M-F 6:00 AM-6:00 PM | \$28.00 /per hr. |
| 1.3.2 | After Hours - M-F 6:00 PM-6:00 AM | \$42.00 /per hr. |
| 1.3.3 | Weekends/County Holidays | \$56.00 /per hr. |

*All inclusive: labor, vehicle, mileage, dismantling, assembly, and/or transfer to/or from storage facility and any other associated costs.

EXHIBIT B

SCOPE OF WORK - GOODMAN'S

1.0 SCOPE OF WORK:

The Contractor shall provide an Asset Inventory Management (A.I.M.) System program and dedicated off-site storage facility for Maricopa County's surplus modular furniture components.

2.0 THE A.I.M. PROGRAM SYSTEM

- 2.1 The system shall be a web-based, non-proprietary, interactive program with multiple levels of access and security, and capable of interfacing with industry standard AutoCAD, CAP 20-20 and Z-Axis software.
- 2.2 The system shall be used to locate, inventory, evaluate, track, store, reserve and deploy furniture assets.
- 2.3 The system server shall be housed on multiple servers that are backed up daily.
- 2.4 The system program shall be one hundred per cent accurate. In the event of a system inaccuracy, the Contractor shall replace the missing item(s) at no charge to Maricopa County.

3.0 PROGRAM REQUIREMENTS

- 3.1 The program shall have 24 hours per day, seven days per week (24/7) availability.
- 3.2 The program shall be updated at least once weekly.
- 3.3 Maricopa County shall be able to view available inventory, reserve select products, and have the ability to generate picking and reservation reports, among others that may be available.
- 3.4 The program shall be protected from accidental corruption by limiting user access to "read only" rights pertaining to adding and deleting items from inventory. Such additions shall be performed by the Contractor at least once weekly for the term of the contract.
- 3.5 The program shall be capable of accepting inventory from any manufacturer of office fixtures, furniture and equipment.
- 3.6 For each asset the program shall be capable of categorizing and sorting by the following fields, at a minimum:
 - 3.6.1 Self-assigned, unique inventory ID number
 - 3.6.2 Manufacturer
 - 3.6.3 Description
 - 3.6.4 Typical color photo of the product
 - 3.6.5 Category type (seating, furniture, accessories, etc.)
 - 3.6.6 Series number (if applicable)
 - 3.6.7 Model number (if applicable)
 - 3.6.8 Surface material (fabric or other)
 - 3.6.9 Surface color (name and code)
 - 3.6.10 Trim color, edge and base (name and code)
 - 3.6.11 Quantities (total number, reserved number, available number)
 - 3.6.12 Height dimension (inches)
 - 3.6.13 Width dimension (inches)
 - 3.6.14 Depth dimension (inches)

EXHIBIT B

SCOPE OF WORK - GOODMAN'S

3.7 The program shall operate in accordance with the A.I.M. Process and Procedures Manual (Exhibit B-1).

4.0 THE STORAGE FACILITY

4.1 The storage facility shall be compliant with all local safety and National Fire Protection Association (NFPA) codes.

4.2 The storage facility shall be a secured site.

4.3 The storage facility shall be dedicated solely to storage of surplus furniture in the A.I.M. program.

4.4 The storage facility shall be climate controlled.

4.5 The storage facility shall operate during normal business hours, Monday through Friday.

4.6 The storage facility shall be staffed by employees solely dedicated to its operation.

5.0 TRAINING PROGRAM

A minimum of sixteen (16) hours A.I.M. System program training shall be conducted in accordance with Exhibit C.

EXHIBIT B-1**Inbound Product****Process & Procedures Manual****Process - Inbound**

- The AIM Coordinator must have prior notification of the inbound product no later than **48 hours** of anticipated inbound date.
- Incoming product will be formatted, inventoried and entered into the client's AIM inventory. The inventory will be available for viewing *within 5-five business days*.

Off-Load/ Format Product

In the event that AIM warehouse personnel are assigned the task of off-loading an inbound truck please consider the following prior to placing the product in the designated "incoming" staging area:

- Panels must be facing side-by-side.
- Worksurfaces are loaded front-to-front and back-to-back.
- Product loaded into speed packs, chair boxes or wooden bins must touch the bottom of the box to avoid overloading which could damage the product.
- Load Casegoods on 4-wheelers and/or dollies making sure the weight is evenly distributed.
- Whenever possible put product on movable equipment (i.e. panel carts, 4-wheelers or hand-trucks) rather than on pallets/skids.

***Note: In most cases the truck driver and crew will off-load product.**

Staging Area Preparation

- Product that is brought to the staging area arrives on a variety of equipment i.e. panel carts,
- 4-wheelers, hand-trucks, speed packs, chair boxes, moving boxes etc... Keep all "similar" product grouped together as it is being unloaded.
- When unloading keep the weight evenly distributed so the product does not tip over during the unloading process. Ask for help with heavy or oversized items.
- All product on equipment being used by installers must be unloaded "first". This will allow us to immediately return the equipment back to the installers as they will require it for other projects.
- Place pallets/skids on "one side" of an aisle. Be consistent pertaining to the placement of the skids because this will allow us to move them easily allowing for more accessibility.
- Use proper sorting equipment designated by the Inventory Specialist including tables and
- 2-by-1 divider racks. Lay cardboard/ furniture pads on the floor to sort product and prevent damage.

Guidelines for Formatting Product:

- **Casegoods:** Inventory as a unit. Store as a unit.
 - Desk, bridge, credenza, lighting, tackboards that are part of a suite are kept together.
 - Conference tables and bases are formatted and inventoried (together).
 - Bookcases: ensure that shelves and shelf pins are present.
- **Seating:** Group like seating together. Group chairs with any visual discrepancies. Make sure proper notation of any discrepancies are made; such as tears, stains, missing casters.
- **Files:** Group by style, size, colors & the number of drawers. Remove keys from lock cores and tape them to the unit. Make sure the cabinets have their file bars.
- **Equipment:** Items that do not fall into a defined category. This may include personal items such as VCRs, TVs & refrigerators.

EXHIBIT B-1**Process & Procedures Manual**

Guidelines for Formatting Product (**continued**):

- **Systems** (AO1, AO2, Ethospace, Q-Systems & Various Manufacturers)
 - **Panels:** System, Size (width & height) power, non-powered, finish code (fabric & trim colors). Also designate “old style” or “new style” when applicable.
 - **Surfaces:** System, size (width & depth), finish (laminates & trim color) & edge type (square or radius). Also determine trim type (example “T” molding).
 - **Lights:** System, size & color/finish code. Wrap cords around the lights. Make sure the bulbs and lenses are “not” missing.
 - **Flipper Doors/ Shelves:** System, size & color/ finish code. Make sure they align within the tracks. Inspect shelves and shelf ends to ensure that the screw holes are not blown out.
 - **Tackboards:** System, size (length, width & height) and color/finish code
 - **Connectors:** System, size & color/finish code.
 - **Pencil Drawers:** System, size & color/finish code. Remove the tracks from worksurfaces.
 - **Keyboards Trays:** System, size & color/finish code. Remove mounting plates from surfaces.
 - **Toolbars:** System, size & color/finish code. Type: paper trays, diagonal trays, etc.
 - **Cantilevers:** System, size & color/finish code. To include: corner brackets & peninsula legs.
 - **Electrical:** System & color/finish code. Receptacles: Circuit type (A, B, C etc.). Covers (old and new styles), outlets, base-in-feeds, power-poles, power-jumpers, energy kits, etc.
- Inspect the functionality of “all” product. If the product is “not functioning” or is “damaged” the person formatting the product will put it off to the side to be evaluated by the Inventory Specialist.
- If it is determined that this product is to be entered in the client’s inventory it will be noted, in AIM, that the product may be able to be refurbished. By noting the functionality and condition problems the client will have an accurate view of their inventory and will also be provided the information needed to make the decision of either repairing or disposing of the product.

Inventory Product

- Once product is formatted it is inventoried. The information is documented in the CAP worksheet.
- CAP worksheets are submitted to the Inventory Specialist who “double checks” each worksheet for accuracy and enters the accurate categories and square footage adjustments.
- Once the Inventory Specialist reviews and completes each CAP worksheet he initials it and submits the sheet to the AIM Coordinator. The AIM Coordinator uses these CAP worksheets to add product to AIM.

Storing Product

The Inventory Specialist will determine the proper packaging to be used...**some general storage guidelines:**

- **Panels/Frames/Worksurfaces:** Store on pallets or straight up and down in designated areas. Note: Cardboard must be placed under “all” panels and worksurfaces that are stored in an upright position, in the bays, to protect them from damage. Worksurfaces must be stacked back-to-back and face-to-face. Shrink-wrapped/ Ethos-framed skids will be used for small panel and worksurface inventories.
- **Connectors/Components:** Self-contained in either a 2-4-6 pack or a connector bin. Use sauna tubes to reinforce the 2-4-6 packs.
- **Hardware:** All small hardware pieces are to be stored in tote boxes or small bins.
- **Filing:** Store on pallets and shrink-wrap with 6-inch shrink-wrap, twice around, with filament tape. Place cardboard between “all” files and pedestals to ensure proper protection. Remove keys in lock cores and tape them to the cabinet. Make sure cabinet drawers have their file bars.

EXHIBIT B-1**Process & Procedures Manual****Storing Product (continued):**

- **Seating:** Group like seating together and store on a flat surface. Cover each chair with a plastic chair bag.
- **Casegoods:** Hand-load into bays and store on pallets. If the items are being stored on a pallet the shrink-wrap must be tied-off to the bottom of the pallet and the whole unit must be shrink-wrapped together. *** Filament tape may be used to secure loads ***

***NOTE: CROSSLOAD THE WEIGHT**

- The Inventory Specialist will designate the location and the specific equipment to use or store product. If a forklift is being used to move and store product following are the general guidelines:
 - Always be aware of your surroundings. Move forwards & backwards slowly.
 - Use the horn often.
 - Return forklift to the end of the warehouse at the end of the day.
 - Use the forklift for pallets/skids.
 - When not in use make sure the forks have been lowered to the ground.
- Properly tag product with the client name, date, and the general description of the product that is on the pallet/skid or in the 4-pack.
- Notify the Inventory Specialist of the number of bays that were used to store the product.
- The Inventory Specialist will then calculate the square footage and submit this information to the AIM Coordinator.

Adding Product to AIM

- The Inventory Specialist submits the CAP worksheets to the AIM Coordinator at the end of each day.
- The Inventory Specialist will review each CAP worksheet for:
 - Condition of the product
 - Categories
 - Hours to be billed
- The AIM Coordinator enters inventory into AIM including the system code number. The AIM Coordinator will then print a "hard-copy" of the Inventory Transaction Report and place it in the "Orders to be Checked" bin with the Client Folder and CAP worksheet.
- The Inventory Specialist performs a quality check of the old inventory report to the newly revised report. This quality check takes place "the same day" that the report was finished to ensure that any discrepancies can be corrected and put back into the AIM system. If there are no problems with the newly revised "Inventory Transaction Report" the report will be filed in the Client folder.

EXHIBIT B-1**Process & Procedures Manual****Outbound Product**

Process – Outbound

Outbound product can be scheduled through the Project Manager, the Account Coordinators, and directly by our clients.

- The AIM Reservation must be entered into the system and marked “complete” no later than 48 hours prior to the requested outbound date.
- An email from the HMI/AIM System will be sent to the AIM Coordinator telling of the new reservation that has been created and marked complete.
- The AIM Coordinator will write down the client name and the Reservation number on the calendar day that the product is to be picked up. A Client folder is also created and is placed in the “Orders to be Confirmed” bin along with a copy of the Reservation.
- The Inventory Specialist will confirm the product list in the Reservation noting the system code next to the description. If there is any discrepancy between the two the Inventory Specialist will notify the AIM Coordinator immediately.
- The AIM Coordinator will contact the Project Manager or the account coordinator the “same day” to try to resolve the discrepancy. If it can not be resolved immediately the folder will be placed in the “Discrepancies” bin. Any problems not resolved within 24 hours may effect the scheduled outbound date.
- If there are no discrepancies the Inventory Specialist will keep the Pull-List and place the folder in the “Waiting for Pull from WH (warehouse)” bin.
- The AIM Reservation will be pulled, staged, and tagged with the AIM Outbound sheet
- (see the following example) by the end of the business day prior to the “needed by” date. The Inventory Specialist will review the pulled product by “the end of day” for completeness and will sign-off on the AIM Outbound sheet.

NOTE: If the AIM order has been scheduled and there are last minute revisions, a revised delivery ticket **must** be selected and printed prior to the product leaving the AIM warehouse.

Pull Product

- Before product is pulled, there must be an AIM Reservation that is marked “complete”.
- Once marked “complete” the AIM Coordinator then enters the scheduled pull date and pull information on the calendar including the client name, ship date & AIM Reservation Number.
- The AIM Coordinator creates a client folder with the client name, pickup date, reservation number and DDMS order number and places this folder in the “Orders to be Confirmed” bin.
- The Inventory Specialist takes the information and compares the pull-list to the most recent “Inventory Transaction Report” noting the system code next to the description.
- If there is a discrepancy between the two the Inventory Specialist will notify the AIM Coordinator immediately. Note: Once product is entered into the AIM system discrepancies are RARE.
- The AIM Coordinator will contact the Project Manager or the account coordinator the “same day” to try to resolve the discrepancy. The folder will be placed in the “Discrepancies” bin until problem is solved.
- If there are no discrepancies or upon resolution the AIM Coordinator gives the pull-list to the Inventory Specialist and it is placed in the “Orders to be Pulled” bin.
- The Inventory Specialist will review the pull-list, verify the location of the product, determine the equipment needed (for loading) and stage the product in a location that is convenient for pickup.

EXHIBIT B-1**Process & Procedures Manual****Warehouse Pull Process**

General guidelines for pulling product include:

- Pull product per the AIM Reservation.
- Keep the “pulled” product together in one area.
- Function-check and clean the product. All outbound product must be wiped down thoroughly with a damp rag and diluted “mild” cleaning solution. Seating is also wiped down with a damp cloth. If there is a fabric stain use fabric cleaner and a vacuum (test an unseen portion of fabric).
- Palletize and/ or box the product that has been pulled. If it is outbound for AIM installation the product is to be loaded onto carts.
- ALL “pulled” product must be tagged with an AIM Outbound Tag.
- The Inventory Specialist will double-check all pulled product and consequently move the product to the AIM outbound staging area 24 hours prior to the scheduled pickup date.
- If there are any discrepancies with the product while it’s being pulled, the Inventory Specialist will attempt to resolve it. If he is unable to, the Inventory Specialist will notify the AIM Coordinator. The AIM Coordinator will contact the Project Manager or the account coordinator to resolve the issue.

NOTE: Any discrepancies that are not resolved in a timely manner may effect the ship date that was originally scheduled. In some cases it may be necessary for the Project Manager or the account coordinator to generate a revised delivery ticket and send it to the AIM Coordinator.

Follow-up Pull Process

- All paperwork that was given to the Inventory Specialist at the beginning of the pull process must be turned back into the AIM Coordinator. If it was a pulled product, the purchase order must be circled or dotted to show that the items were pulled; initialed by the person who did the pull; and turned into the AIM Coordinator.
- The Inventory Specialist will double-check all pulls prior to handing in the information to the AIM Coordinator.
- The AIM Coordinator will use the pull-list to delete product from AIM.

Formatting Product

Before formatting any product, move it to a designated formatting aisle. The Inventory Specialist will indicate which aisle to use for formatting. Formatting outbound product is the same as formatting inbound product. The only difference is the way in which the product is packaged depending on the carrier that is picking up the product.

Guidelines for Formatting Product:

- **Casegoods:** Pull as a unit.
 - Desk, bridge, credenza, lighting, tackboards that are part of a suite are kept together.
 - Conference tables and bases are formatted and inventoried (together).
 - Bookcases: ensure that shelves and shelf pins are present.
- **Seating:** Group like seating together. Group chairs with any visual discrepancies. Make sure proper notation of any discrepancies are made; such as tears, stains, missing casters.
- **Files:** Group by style, size, colors and the number of drawers. Remove keys from lock cores and tape them to the unit. Make sure the cabinets have their file bars.
- **Equipment:** Items that do not fall into a defined category. This may include personal items such as VCRs, TVs & refrigerators.
- **Systems** (AO1, AO2, Ethospace, Q-Systems & Various Manufacturers):
 - **Panels:** System, Size (width & height) power, non-powered, finish code (fabric & trim colors). Also designate “old style” or “new style” when applicable.

EXHIBIT B-1**Process & Procedures Manual**

- **Surfaces:** System, size (width & depth), finish (laminate & trim color) & edge type (square or radius). Also determine trim type (example "T" molding).
- **Lights:** System, size & color/finish code. Wrap cords around the lights. Make sure the bulbs and lenses are "not" missing.

- **Flipper Doors/ Shelves:** System, size & color/ finish code. Make sure they align within the tracks. Inspect shelves and shelf ends to ensure that the screw holes are not blown out.
- **Tackboards:** System, size (length, width & height) and color/finish code
- **Connectors:** System, size & color/finish code.
- **Pencil Drawers:** System, size & color/finish code. Remove the tracks from worksurfaces.
- **Keyboards Trays:** System, size & color/finish code. Remove mounting plates from surfaces.
- **Toolbars:** System, size & color/finish code. Type: paper trays, diagonal trays, etc.
- **Cantilevers:** System, size & color/finish code. To include: corner brackets & peninsula legs.
- **Electrical:** System & color/finish code. Receptacles: Circuit type (A, B, C etc.). Covers (old and new styles), outlets, base-in-feeds, power-poles, power-jumpers, energy kits, etc.

Deleting Product in AIM

- The Inventory Specialist reviews the pull-list. The "Pull-List" is a copy of the Reservation inventory.
- The Inventory Specialist places the pull-list in the "Orders to be Deleted" bin. The AIM Coordinator deletes the product from the client's AIM database noting the system code number of product being deleted.
- The AIM Coordinator prints a new "revised" copy of the "Inventory Transaction Report" and places both the new and old copies of the report in the "Orders to be Checked" bin.
- The AIM Coordinator checks the accuracy of the "revised" version to the "old" version.
- If there are changes it is "sent-back" to the AIM Coordinator to be revised.
- If there are no changes to the Inventory Report the AIM Coordinator places the new inventory into the Client file.

EXHIBIT B-1**Process & Procedures Manual**

Daily Pull Process

Daily Pull Process

The AIM Coordinator receives requests from an internal source or client to pull product.

AIM Coordinator - Coordinates Pull

The AIM Coordinator prints out the Reservation Pull Request and places it in the "Order to be Pulled" bin. The orders to be pulled are in order of the "needed by" date. **The reservation must be in the system and marked "complete" 48 hours before the product is needed.**

Inventory Specialist - Pulls Product

The Inventory Specialist picks up the pull paperwork, from the bins, on a daily basis to pull product.

While being pulled the product is formatted, function-checked and packaged. Once complete the product is placed in the outbound pickup area.

Product Pickup - Drivers Meet Inventory Specialist upon Arrival at Warehouse

Product Pickup Drivers check-in with the Inventory Specialist upon arrival at the AIM warehouse. The Inventory Specialist receives the pull-list, with the P.O. number, from the driver to match it up with the product that has been pulled.

Drivers - Load Product onto Truck

Drivers load the product onto the truck. Once all product is loaded the driver signs the pull-list & delivery ticket to indicate that all product had been loaded. The signed pull-list & delivery ticket is handed into the AIM Coordinator who places them into the "Orders to be Deleted" bin.

AIM Coordinator - Deletes Product from AIM

The AIM Coordinator takes the "**signed**" pull-lists & delivery tickets from the "Orders to be Deleted" bin and deletes the product from AIM inventory. The AIM Coordinator notifies the Inventory Specialist that the product has been deleted and prints off a new Inventory Transaction Report and places it in the "Orders to be Checked" bin. The signed pull-lists and delivery tickets are then filed into the "Monthly" Completed AIM Reservations folder.

Misc. AIM Information

Square Footage Adjustments

After packaging product it is either put into the racks/ bays or is prepared for outbound shipping. A bay count is always done. The bay count is recorded on a CAP worksheet by the Inventory Specialist and turned into the AIM Coordinator who records it in the AIM system.

- Bay Calculation: 12 X 5
 - 12 foot bay: Level 1 = **60 square feet**

Cycle Counts

- Cycle Counts will be performed on all AIM Client Inventories at least once a month.
- The AIM Coordinator will give the Inventory Specialist the current "Inventory Report (IR)".
- The Inventory Specialist will take the "IR" and compare it against the actual Client Inventory. The Inventory Specialist will document any discrepancies between the actual count and the paperwork.

EXHIBIT B-1

AIM Asset & Inventory
Management

Process & Procedures Manual

- The Inventory Specialist will initial the differences on the "Inventory Transaction Report" and turn it back into the AIM Coordinator.
- The AIM Coordinator will update the Client's AIM Inventory and will print a new "Inventory Report" for the Inventory Specialist to check and approve.
- When the "IR" has been verified the AIM Coordinator will file the new report in the Client's folder.

TAG: _____

AIM #: _____

DDMS ORDER #: _____

PULL DATE: _____

SHIP DATE: _____

PULL LIST ATTACHED: **YES** _____ **NO** _____

HARDWARE ATTACHED: **YES** _____ **NO** _____

OF SKIDS: _____ **# OF DOLLARS:** _____

OF BOXES: _____ **# OF CARTS:** _____

PULLED BY: _____

CONFIRMED BY: _____

AIM
OUTBOUND

EXHIBIT B-1



AIM Asset & Inventory
Management

Process & Procedures Manual

Inbound AIM Information Sheet

Date: _____

DDMS Order Number: _____

Client: _____

Sent By: _____

Expected Inbound Date: _____

Project: _____

Brief Description of Inbound Product: _____

Signature: _____
Dropping Off

Signature: _____
Receiving

EXHIBIT C

A.I.M.: Asset & Inventory Management

CLIENT TRAINING PROGRAM

Goodmans Asset & Inventory Management Service includes client training for complete knowledge of software allowing 24 hour access of inventory.

The A.I.M Client Training is divided into two programs.

A.I.M. 101: This entry level training is for *Read-Only Users*

A.I.M. 201: This training allows the client, working parallel with the Goodmans A.I.M Department, to look up inventory, create & modify reservations and run reports

Training for client based users, facilitated by the A.I.M Coordinator, can be done in groups from one to three, and will last from 45 minutes to one and a half hours depending on the size of the group and user type. The training will include a test data base to provide practice creating, modifying, and canceling reservations.

Goodmans provides sixteen (16) hours of training time included to use at client's discretion. A portion of the training time may be used by the main client contact for more in-depth training on running reports.

A.I.M. 101	Training Topics
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Searching inventory

- Different methods of searching
- How to read product descriptions •

Running reports

- What each reports means and is used for

A.I.M. 201	Training Topics
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Searching inventory

- Different methods of searching
- How to read product descriptions •

Creating reservations

- Must have information on reservations
- How to add and delete product from reservations
- What triggers a reservations to be pulled from warehouse •

Modifying reservations

- What information can be changed
- When changes can be made

Canceling reservations •

Running reports

- What each reports means and is used for

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Contact Person:	Karna Herrig
E-mail Address:	kherrig@goodmans.info
Company Web Site:	www.goodmans.info
Certificates of Insurance	Required
Contract Period:	To cover the period ending September 30, 2010.